

# EXHIBIT 21

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF SAN FRANCISCO

COMMUNITIES FOR A BETTER ) CASE NO.  
ENVIRONMENT, A CALIFORNIA ) 997013  
NON-PROFIT CORPORATION, ON )  
BEHALF OF THE GENERAL PUBLIC, )  
 )  
PLAINTIFF, )  
 )  
VS. )  
 )  
UNOCAL CORPORATION, ET AL., )  
 )  
DEFENDANTS. )

DEPOSITION OF MEENA NAINAN

FRIDAY, AUGUST 11, 2000

FILE NO. 000811TRB  
REPORTED BY TERRY R. BANKEY, C.S.R. NO. 7442



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11:54 AM words, the -- the integrity of the shell could be  
2 compromised.

3 Q The second paragraph of this document says:

4 "In response to potential

11:54 AM underground tank leakage, a  
6 five-year program (1979-1983) to  
7 test all tanks 14 years or older in  
8 the twenty resale districts with  
9 the highest soil corrosivity, was  
11:55 AM established in mid-year 1978."

11 My understanding from reading that paragraph  
12 is that the testing program was only implemented with  
13 respect to tanks older than 14 years and that were in  
14 a high soil corrosivity area. Is that accurate?

11:55 AM A That's what I would surmise from this as  
16 well.

17 Q Do you know whether Mobil ever implemented a  
18 tank testing program to test tanks that may not have  
19 been over 14 years old?

11:55 AM A At that time period, I don't know if they  
21 initiated another program separate from this one.

22 Q Do you know whether Mobil has ever done that  
23 up through today?

24 A My understanding is from at the time that  
11:55 AM our tanks went -- switched over from steel to

11:56 AM      fiberglass we were required by the regulators to test  
2                those tanks once every five years unless we had a  
3                continuous monitoring system. And if we did that  
4                then they would be continuously monitored. And so  
11:56 AM      that would be the program, I would say, from the late  
6                '80s to the present.

7 Q When you say regulators, who are you  
8 referring to?

9 A EPA, federal and state regulations.

11:56 AM Q And when you say state, are we specifically  
11 referring to California?

12       A     It could be any state.   But the state is  
13       normally more stringent than the federal regulations,  
14       and I believe it's the federal regulations that say  
AM       we have to test once every five years.   If the local  
16       regulations, meaning the state, required something  
17       more stringent or more often, we would have to comply  
18       with that.

19 Q Okay. I couldn't write fast enough. You  
11:56 AM said that the regulations that you believe began in  
21 the late '80s --

22 A Uh-huh.

23 Q -- required that tanks be tested once every  
24 five years unless it had a continuous monitoring  
AM system?

11:57 AM A Yes.

2 Q And that's every tank had to be tested once  
3 every five years unless there was continuous  
4 monitoring?

11:57 AM A Yes.

6 Q What would fall under the category of  
7 continuous monitoring?

8 A An example of a continuous monitoring system  
9 would be like the electronic Veeder Root system where  
11:57 AM you have a probe or a sensor that monitors the, you  
11 know, level of the product in the tank or if you have  
12 a double-wall tank, the interstitial space at the  
13 tank. That would be considered continuous  
14 monitoring.

11:57 AM Q That first one you mentioned, is that an  
16 inventory control type test or is it something  
17 different?

18 A No, you can actually run a self test on  
19 the -- on the tank to see that -- if you have  
11:58 AM integrity, if the tank is leaking.

21 I mean, the tank gauging can be used as  
22 inventory reconciliation, I guess.

23 Q Other than complying with regulations set  
24 down by the federal or state government regarding  
11:58 AM tank testing, do you know whether Mobil did any other

11:58 AM type of routine testing for tank integrity since the  
2 conclusion of the tank testing program that we're  
3 discussing referred to in deposition 7?

4 A You mean after this tank testing program had  
11:58 AM ended?

6 Q Exactly.

7 A No. I mean, I believe that we did our tank  
8 testing program in conjunction with the federal and  
9 state regulations.

11:58 AM Q This tank testing program that we are  
11 discussing as reflected in Exhibit 7, when do you  
12 believe that concluded?

13 A I would think that they ended somewhere  
14 around the late '80s because at that time our tanks  
11:59 AM would have been switched over to single-wall  
16 fiberglass tanks.

17 But this program would have been in effect  
18 for any steel tank we had in the ground that was  
19 still operational.

11:59 AM Q Until they were all removed and replaced?

21 A Exactly.

22 Q Okay. In the middle of the front page of  
23 the document that's marked Exhibit 7, I'm assuming  
24 that the tank testing was throughout the United  
11:59 AM States. Is that your understanding?

11:59 AM

A Yes.

2 Q Okay. It says in the second field over,  
3 "1979 plan/actual." And the second level down on the  
4 left it says, "Tank failure rate." The one  
12:00 PM underneath that, it says, "Line failure rate." And  
6 the one underneath that, it says, "Location failure  
7 rate."

8 My understanding is that this chart reflects  
9 that for all the tanks tested up and through the time  
12:00 PM that this document was created, which is in 1979, 46  
11 percent of those that were tested showed a failure  
12 rate -- showed a failure of either the tank or the  
13 line. Is that accurate?

14 A Yeah. I would -- that's what I would  
12:00 PM conclude.

16 Q The last, underneath where it says location  
17 failure rate, it says, "Tank repair/replacement  
18 ratio." And, for example, for 1978 actual, it shows  
19 75/25.

12:00 PM Does that mean that for 1978 -- well, you  
21 tell me what that means.

22 What does that mean where it says "Tank  
23 repair/replacement ratio," for example, for 1978  
24 where it says 75/25?

25 A I believe that after they tested the tanks

1 | they were --

2 (Discussion held off the record.)

3 MS. EVANGELISTI: You want to go off the  
4 record?

5 THE VIDEOGRAPHER: Going off the record at  
6 12:01 p.m.

7 (Discussion held off the record.)

8 THE VIDEOGRAPHER: Going back on the record  
9 at 12:05 p.m.

12:05 PM THE WITNESS: Okay. My understanding is  
11 that when the tanks and lines were tested and then if  
12 they failed we would then either repair or replace  
13 the tanks.

14 So, for instance, under 1990 -- 1978 actual,  
12:05 PM where it says tank repair versus replacement ratio,  
16 we would have repaired 75 tanks versus replacing 25.  
17 I think that's what they were trying to say.

18                    Although, I take it back. 75 plus 25 is  
19 100. So I think it's maybe percentages, not actual  
12:05 PM numbers.

21 BY MS. EVANGELISTI:

22 Q It says ratio so I --

23 A Yeah.

24 Q -- assume 75 percent --

12:06 PM A To 25 percent.

12:06 PM Q Okay. So that means that this program,  
2 Mobil was testing steel tanks that were over 14 years  
3 old and were in an area of high soil corrosivity,  
4 that for those tanks that it found had failed, either  
12:06 PM the tanks or the lines, 75 percent of them they chose  
6 to repair instead of replace; is that accurate?

7 A Yes.

8 Q What types of repairs might they have  
9 utilized?

12:06 PM A It could be a variety of repairs depending  
11 on what the tank failure was, the tank and/or line  
12 failure.

13 If it was just, for instance, a fitting or a  
14 bung was loose, that could be considered a repair.

12:06 PM So it would not warrant the need to actually replace  
16 the tank.

17 Q Do you know when Mobil started utilizing  
18 fiberglass tanks on all new installations?

19 A As a routine basis?

12:06 PM Q Yes.

21 A It would be in the early '80s that they  
22 started it, but it would depend geographically, you  
23 know, when, what year they started the replacement  
24 program.

12:07 PM Q Do you know when they started in California?

12:07 PM And it might be reflected in one of these documents.

2 A Yeah. I believe it was like the early '80s  
3 but -- and I'm -- I want to say like '82, '83.  
4 Somewhere in there.

12:07 PM Q I might have asked this earlier, and I  
6 apologize if I did. Do you know whether Mobil ever  
7 had a program to test all of its tanks in California?

8 MS. WEAVER: Objection. Asked and answered.

9 THE WITNESS: And are we talking about from

12:07 PM 19 --

11 BY MS. EVANGELISTI:

12 Q Ever?

13 A -- 78 to the present?

14 Q Ever.

12:07 PM A We have a program where the tanks have to be  
16 tested -- fiberglass tanks would have to be tested  
17 once every five years unless there was a continuous  
18 monitoring system. And that's in accordance with the  
19 federal guidance.

12:08 PM Q On the second page of this document, the  
21 last line, it says, "May we have your approval to  
22 adopt the above recommendations." And the version  
23 that I've been given doesn't have any signatures.

24 Do you know whether this document which  
12:08 PM appears to be the results of the program for the

12:08 PM first 18 months as well as recommendations for the  
2 future was ever adopted and approved?

3 A You know, my understanding that this type of  
4 program was approved. It may not cover all the years  
12:08 PM because we've started the tank replacement program in  
6 the early '80s so it might have changed a little bit  
7 from what they have here, but my understanding is it  
8 was approved.

9 Q And it says on the second page, in the last  
12:09 PM full paragraph, the second sentence says:

11 "Marketing's potential exposure  
12 to underground tankage will  
13 continue to be significant after  
14 '83 as the majority of the tank  
12:09 PM population will continue to consist  
16 of steel tanks in the critical  
17 failure age range of 14 to 18  
18 years."

19 So my understanding from this document, and  
12:09 PM your testimony, is that as of the date of this  
21 document, 1979, Mobil anticipated that after '83 the  
22 majority of the tanks would be steel tanks older than  
23 14 years but that in the early '80s they began to  
24 replace them?

12:09 PM A Yes, with fiberglass tanks.

12:09 PM Q Do you know why they began to replace them  
2 with fiberglass tanks in the early '80s?

3 A My understanding, you know, a couple of  
4 issues came into place. Local regulations were  
12:09 PM changing in areas such as California and New York.

6 And then secondly, industry standards was moving  
7 towards fiberglass tanks as the preferred  
8 installation method.

9 Q Did California at some time start requiring  
12:10 PM the installation of fiberglass tanks in new  
11 installations?

12 A Well, the federal requirement required it  
13 starting in 1988. California, I'm not sure if they  
14 had a requirement earlier than '88. They might have.  
12:10 PM But I'm not sure what year it would be.

16 Q Let's move to Exhibit 8. Can you identify  
17 this document for me? It is a internal  
18 correspondence dated January 13, 1983, to a number of  
19 individuals from a J. V. Naughton, regarding the 1982  
12:10 PM tank testing program.

21 A Yes.

22 (The document referred to was  
23 marked as Plaintiff's Exhibit 8 for  
24 identification.)

12:11 PM BY MS. EVANGELISTI: